

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,	:	23-CR-00246(ARR)
	:	
	:	
-against-	:	United States Courthouse
	:	Brooklyn, New York
	:	
	:	Tuesday, June 27, 2023
ZHIBIN LAI,	:	2:00 p.m.
	:	
Defendant.	:	

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TRANSCRIPT OF CRIMINAL CAUSE FOR PLEADING
BEFORE THE HONORABLE ALLYNE R. ROSS
UNITED STATES SENIOR DISTRICT JUDGE

A P P E A R A N C E S:

For the Government: BREON PEACE, ESQ.
United States Attorney
Eastern District of New York
271 Cadman Plaza East
Brooklyn, New York 11201
BY: ANDREW ESTES, ESQ.
Assistant United States Attorney

For the Defendant: SPODEK LAW GROUP, P.C.
85 Broad Street
30th Floor
New York, New York 10004
BY: TODD A. SPODEK, ESQ.

Court Reporter: Stacy A. Mace, RMR, CRR
Official Court Reporter
E-mail: SMaceRPR@gmail.com

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Proceedings

2

1 (In open court.)

2 THE COURTROOM DEPUTY: All rise.

3 (Judge ALLYNE R. ROSS entered the courtroom.)

4 THE COURT: Please be seated.

5 THE COURTROOM DEPUTY: United States of America

6 against Lai, docket number CR-23-246.

7 For the Government, please state your name for the
8 record.

9 MR. ESTES: Good afternoon, Your Honor.

10 Andrew Estes for the Government.

11 THE COURT: Good afternoon.

12 MR. SPODEK: Good afternoon, Your Honor.

13 Todd Spodek for Mr. Lai.

14 THE COURT: Good afternoon.

15 Mr. Spodek, what does your client wish to do?

16 MR. SPODEK: Judge, at this point my client does
17 wish to enter into an agreement that has been signed and
18 reviewed and plead guilty, Your Honor.

19 THE COURT: Okay.

20 And he wishes to enter a guilty plea?

21 MR. SPODEK: That's correct, Judge.

22 THE COURT: Okay.

23 Mr. Lai, as we go through the Waiver of Indictment
24 and guilty plea, there are many questions that I have to ask
25 you and many things that I have to explain to you. It is very

Proceedings

3

1 important that you understand everything I ask and everything
2 I explain. So if there is anything at all that you do not
3 fully understand, please just stop me and I will express
4 myself differently until you do understand me.

5 All right?

6 THE DEFENDANT: Okay, Your Honor.

7 THE COURT: Okay.

8 THE COURTROOM DEPUTY: Please stand and raise your
9 right hand.

10 Do you solemnly swear the testimony you give to this
11 Court in this case will be the truth, the whole truth, and
12 nothing but the truth, so help you God?

13 THE DEFENDANT: I do.

14 (Defendant sworn.)

15 THE COURTROOM DEPUTY: Please state your name for
16 the record.

17 THE DEFENDANT: Zhibin Lai.

18 THE COURTROOM DEPUTY: Thank you.

19 Just directly into that microphone, speak very loud.
20 Okay. It doesn't move.

21 THE DEFENDANT: Okay.

22 THE COURT: Mr. Lai, do you understand that having
23 been sworn, now that you are under oath, your answers to my
24 questions would be subject to another prosecution for perjury
25 or a false statement if you did not answer them truthfully?

Proceedings

4

1 THE DEFENDANT: Yes.

2 THE COURT: Okay.

3 How old are you?

4 THE DEFENDANT: Thirty-seven years old.

5 THE COURT: Okay.

6 And how far did you go in school?

7 THE DEFENDANT: I got Doctorate degree in pharmacy.

8 THE COURT: Okay.

9 Are you now or have you recently been under the care
10 of a physician or a psychiatrist?

11 THE DEFENDANT: No.

12 THE COURT: In the last twenty-four hours, have you
13 taken any narcotic drugs or medicine or pills of any kind or
14 drunk any alcoholic beverage?

15 THE DEFENDANT: No.

16 THE COURT: Have you ever been hospitalized or
17 treated for narcotic addiction?

18 THE DEFENDANT: No.

19 THE COURT: Is your mind clear?

20 THE DEFENDANT: Yes.

21 THE COURT: You understand what is going on in this
22 proceeding?

23 THE DEFENDANT: Yes.

24 THE COURT: Okay.

25 Have you received a copy of the Information, that is

Proceedings

5

1 the document that sets forth the charge that the United States
2 Attorney proposes to bring against you?

3 THE DEFENDANT: Yes.

4 THE COURT: Did you read it?

5 THE DEFENDANT: Yes.

6 THE COURT: Did you discuss it with your lawyer?

7 THE DEFENDANT: I did.

8 THE COURT: Do you understand it?

9 THE DEFENDANT: I do.

10 THE COURT: Okay. I am going to go through it with
11 you once more, and if you have any question at all as to what
12 any aspect means, I want you to ask me or ask Mr. Spodek.
13 Okay?

14 THE DEFENDANT: Okay.

15 THE COURT: It starts with an introduction,
16 initially giving some background and description of the
17 Medicare and Medicaid programs.

18 Then in paragraph 6 it goes on to describe the
19 over-the-counter nonprescription items and the regulations
20 relating to that.

21 You understood all of that?

22 THE DEFENDANT: Yes.

23 THE COURT: Okay.

24 It explains in paragraphs 8 and 9 that the
25 pharmacies typically submit their claims electronically to the

Proceedings

6

1 Plans in order to receive reimbursement, and that by
2 submitting the claim to the Plans, the provider certified,
3 among other things, that the services were rendered to the
4 patient, that they were medically necessary, and that they
5 were not procured as a result of kickbacks or bribes.

6 It goes on to relate that you were a pharmacist
7 licensed by New York State and you were the supervising
8 pharmacist of 888 Pharmacy, Inc., and for a period of two
9 years from January of '21 to December of '22 you were also a
10 part owner of the pharmacy. That the pharmacy was a retail
11 pharmacy located in Brooklyn. That Co-Conspirators 1, 2 and 3
12 were part owners of the pharmacy. That what's referred to as
13 Medical Practice-1 was a medical practice in Brooklyn, and
14 that Individual 1 was enrolled as a Medicare beneficiary and a
15 Medicaid recipient and filled prescriptions at your pharmacy.

16 It goes on to describe that between approximately
17 September of 2020 and December of 2022, you and others agreed
18 to execute and executed a scheme to submit claims to the Plans
19 for dispensing pharmaceutical and over-the-counter products
20 that were medically unnecessary, procured by kickbacks and
21 bribes, and not provided to Medicare beneficiaries and
22 Medicaid recipients.

23 And that as part of the scheme, you and other
24 employees of the pharmacy, including Co-Conspirator 1, offered
25 in-store credit to Medicare beneficiaries and Medicaid

1 recipients who filled prescriptions at the pharmacy and
2 debited the over-the-counter cards that were funded by the
3 Plans for products that were not actually dispensed, instead
4 providing the equivalent in supermarket gift certificates and
5 cash.

6 And it goes on to allege that you and other pharmacy
7 employees referred beneficiaries and recipients, including
8 Individual 1 to Medical Practice-1, where they were prescribed
9 medically unnecessary medications, including pain patches, and
10 the prescriptions were then filled at your pharmacy.

11 That you and others, including all three
12 co-conspirators, paid illegal kickbacks and bribes to the
13 medical practice in the form of salary, staff and rent in
14 exchange for the ordering and referral of prescriptions to
15 your pharmacy by the medical providers.

16 And that in or about and between September of 2020
17 and December of 2022, Medicare paid the pharmacy approximately
18 \$2.2 million and Medicaid paid it approximately \$600,000, as a
19 result of the submission of false and fraudulent claims for
20 prescriptions that were medically unnecessary and induced by
21 the payment of illegal kickbacks and bribes.

22 And then it goes on to allege conspiracy to commit
23 health care fraud, specifically that between approximately
24 September of 2020 and December of '22, in this district and
25 elsewhere, you and others knowingly and willfully conspired,

Proceedings

8

1 that simply means agreed, to execute a scheme to defraud one
2 or more health care benefit programs, as defined by federal
3 law, and specifically Medicare and Medicaid, and to obtain by
4 means of materially false and fraudulent pretenses and
5 representations, money and property under the custody and
6 control of Medicare and Medicaid, in connection with the
7 delivery of a payment for health care benefits, items and
8 services, contrary to law.

9 Do you understand the charge?

10 THE DEFENDANT: Yes.

11 THE COURT: Okay.

12 Do you know that you have a right under the
13 Constitution to be charged by an Indictment by a Grand Jury,
14 but you can give up that right and consent to being charged by
15 an Information?

16 THE DEFENDANT: Yes.

17 THE COURT: Do you understand that?

18 THE DEFENDANT: Yes, I do.

19 THE COURT: Okay.

20 Do you understand that unless you waive your right
21 to be indicted, you could not be charged with this crime, as
22 it is a felony, unless a Grand Jury determined by returning an
23 Indictment that there was probable cause to believe that you
24 committed this crime?

25 Do you understand that?

Proceedings

9

1 THE DEFENDANT: Yes, I do.

2 THE COURT: Okay.

3 Do you understand that if the Government presented
4 this case to the Grand Jury, the Grand Jury might or might not
5 indict you?

6 THE DEFENDANT: I do.

7 THE COURT: And that a Grand Jury is composed of at
8 least 16, but not more than 23 persons, and at least 12 grand
9 jurors would have to find that there was probable cause to
10 believe that you committed this crime before you could be
11 indicted for this crime?

12 THE DEFENDANT: Yes.

13 THE COURT: And that if you give up your right to an
14 Indictment, the case is going to proceed against you simply
15 based on this Information, simply by the United States
16 attorney filing this document with the Court?

17 THE DEFENDANT: Yes.

18 THE COURT: Okay.

19 Have you discussed the matter of waiving your right
20 to indictment by a Grand Jury with Mr. Spodek?

21 THE DEFENDANT: Yes.

22 THE COURT: Do you understand that right?

23 THE DEFENDANT: Yes.

24 THE COURT: Have any threats or promises been made
25 to induce you to give up that right?

Proceedings

10

1 THE DEFENDANT: No.

2 THE COURT: Do you wish to give up that right and
3 proceed instead on the Information?

4 THE DEFENDANT: Yes.

5 THE COURT: Okay.

6 Mr. Spodek, is there any reason why your client
7 should not waive indictment?

8 MR. SPODEK: No, Your Honor.

9 THE COURT: Okay. I have here a Waiver of
10 Indictment form.

11 Is that your signature on the form?

12 THE DEFENDANT: Yes.

13 THE COURT: And before you signed it, did you read
14 it?

15 THE DEFENDANT: Yes.

16 THE COURT: You understood it?

17 THE DEFENDANT: Yes.

18 THE COURT: You discussed it with your lawyer?

19 THE DEFENDANT: I did.

20 THE COURT: The record should reflect that
21 Mr. Spodek has also signed the form, and I am witnessing it.

22 Mr. Spodek, have you discussed the matter of
23 pleading guilty thoroughly with your client?

24 MR. SPODEK: Yes, Your Honor.

25 THE COURT: Does he understand the rights he would

Proceedings

11

1 be waiving by pleading guilty?

2 MR. SPODEK: Yes, Your Honor.

3 THE COURT: Is he capable of understanding the
4 nature of the proceedings?

5 MR. SPODEK: Yes, Your Honor.

6 THE COURT: Do you have any doubt as to his
7 competence to plead at this time?

8 MR. SPODEK: No, Your Honor.

9 THE COURT: Have you advised him of the maximum
10 sentence and fine that can be imposed and discussed with him
11 the advisory Sentencing Guidelines and the other statutory
12 sentencing factors?

13 MR. SPODEK: Yes, Your Honor.

14 THE COURT: Okay.

15 Mr. Lai, have you had plenty of time to discuss your
16 case with your lawyer?

17 THE DEFENDANT: Yes, I did.

18 THE COURT: And are you satisfied to have him
19 represent you in this proceeding?

20 THE DEFENDANT: Yes.

21 THE COURT: We have already reviewed the Information
22 and you have indicated that you understood it thoroughly. Is
23 that correct?

24 THE DEFENDANT: Yes.

25 THE COURT: Do you understand that you have the

Proceedings

12

1 right to plead not guilty to the charge?

2 THE DEFENDANT: Yes, I understand.

3 THE COURT: And if you did, under the Constitution
4 and under the laws of the United States, you would be entitled
5 to a speedy and public trial by jury with the assistance of
6 your counsel on the charges in the Information, and in that
7 regard you would be entitled to his assistance throughout
8 every aspect of the criminal proceeding against you.

9 Do you understand that?

10 THE DEFENDANT: Yes, I do.

11 THE COURT: At the trial you would be presumed to be
12 innocent and the Government would have to overcome that
13 presumption and prove you guilty by competent evidence beyond
14 a reasonable doubt. You would not have to prove that you were
15 innocent.

16 If the Government were to fail to prove you guilty
17 beyond a reasonable doubt, the jury would have the duty to
18 find you not guilty.

19 Do you understand that?

20 THE DEFENDANT: Yes, I do.

21 THE COURT: In the course of the trial, the
22 witnesses for the Government would have to come into court and
23 testify in your presence. Mr. Spodek would have the
24 opportunity to cross-examine the Government's witnesses, to
25 object to any evidence the Government offered, and to offer

Proceedings

13

1 evidence on your behalf. And in that regard, he would have
2 the right to compel the attendance of witnesses to testify in
3 your behalf.

4 Do you understand that?

5 THE DEFENDANT: Yes, I understand.

6 THE COURT: Okay.

7 At a trial, while you would have the right to
8 testify if you chose to do so, you couldn't be required to
9 testify. Under the Constitution of the United States, you
10 cannot be compelled to incriminate yourself. You cannot be
11 required to say anything that would in any way indicate your
12 guilt of the crime with which you are charged.

13 If you chose not to testify, I would instruct the
14 jury that they could not hold that against you in any way.

15 Do you understand that?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: Okay.

18 Now, if you plead guilty and your guilty plea is
19 accepted, you are going to be giving up your constitutional
20 right to a trial and all the other rights that I just
21 described. There would be no further trial of any kind and no
22 right to appeal from a judgment of guilty. I would simply
23 enter a judgment of guilty on the basis of your guilty plea.

24 Do you understand that?

25 THE DEFENDANT: Yes.

Proceedings

14

1 THE COURT: Also, if you plead guilty I am going to
2 have to ask you questions about what it was that you did in
3 order to satisfy myself that you actually are guilty of the
4 crime to which you seek to plead guilty. You will have to
5 answer my questions and acknowledge your guilt.

6 So, in effect, you are going to be giving up the
7 right not to say anything that would in any way indicate your
8 guilt.

9 You understand that?

10 THE DEFENDANT: Yes, Your Honor.

11 THE COURT: Are you willing to give up your right to
12 a trial and all the other rights that I have just described?

13 THE DEFENDANT: Yes.

14 THE COURT: Okay.

15 I have what's been marked as Government Exhibit
16 Number 1 in your case, a written agreement.

17 Turning to the last page, is that your signature on
18 the agreement?

19 THE DEFENDANT: Yes.

20 THE COURT: Before you signed it, did you read it?

21 THE DEFENDANT: Yes.

22 THE COURT: Did you discuss it with your lawyer?

23 THE DEFENDANT: I did.

24 THE COURT: Do you understand it?

25 THE DEFENDANT: Yes, I do.

Proceedings

15

1 THE COURT: Is there anything at all in that entire
2 agreement that you do not fully understand?

3 THE DEFENDANT: No.

4 THE COURT: Do you understand that that written
5 agreement sets forth your whole agreement with the Government
6 relating to your guilty plea in this case?

7 THE DEFENDANT: Yes.

8 (Government's Exhibit 1 was so marked.)

9 THE COURT: Do you know the longest prison term that
10 could be imposed upon your guilty plea under the statute?

11 THE DEFENDANT: Yes.

12 THE COURT: So you understand you could be sentenced
13 for up to ten years?

14 THE DEFENDANT: Yes.

15 THE COURT: Do you understand that you would also be
16 subject to a term of supervised release of three years?

17 THE DEFENDANT: Yes.

18 THE COURT: Do you know what a term of supervised
19 release is?

20 THE DEFENDANT: Yes, I do.

21 THE COURT: Okay. So you understand that is a
22 period of time that you serve after you are released from
23 prison. You are not in prison, but there are many constraints
24 on your liberty. So many I can't even begin to describe all
25 of them for you now.

Proceedings

16

1 But if you were to breach any of the conditions of
2 your supervised release while you were out on supervised
3 release, you could be sent back to prison for up to two years
4 without any credit for any of the time you may have spent out
5 on supervised release.

6 Do you understand that?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: Okay.

9 Do you understand that you could be fined the
10 greater of \$250,000 or twice the gross gain or loss from the
11 conduct?

12 THE DEFENDANT: Yes, Your Honor.

13 THE COURT: Do you understand that you will be
14 required to make restitution in the amount of \$2,513,191.70?

15 THE DEFENDANT: Yes.

16 THE COURT: Do you understand that I must impose a
17 special assessment, which is like a fine, of \$100?

18 THE DEFENDANT: Yes, Your Honor.

19 THE COURT: And you will have to pay a criminal
20 forfeiture in the amount of \$327,959?

21 THE DEFENDANT: Yes, Your Honor.

22 THE COURT: And finally, that you would be excluded
23 from Medicare, Medicaid, and all federal health care programs
24 as set forth in paragraph 21 of the agreement?

25 THE DEFENDANT: Yes, Your Honor.

1 THE COURT: Now, the United States Sentencing
2 Commission has issued advisory Sentencing Guidelines that I
3 must consider, along with a great number of other statutory
4 sentencing factors, in determining a sentence.

5 Have you and Mr. Spodek talked about how these
6 matters might apply in your case?

7 THE DEFENDANT: We did.

8 THE COURT: Do you understand that I am not going to
9 be able to determine the guidelines sentence that applies in
10 your case until after the Probation Department has prepared a
11 pre-sentence report and you and Mr. Spodek and the prosecutor
12 have had an opportunity to review the report and object to any
13 of the findings made by the Probation Department?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Do you also understand that if sentenced
16 to a prison term, you will be required to spend the entire
17 period of that prison term in prison?

18 THE DEFENDANT: Yes.

19 THE COURT: Okay.

20 Mr. Estes, can you advise me of the anticipated
21 advisory guideline range?

22 MR. ESTES: Yes, Your Honor.

23 The Government estimates that the guidelines range
24 would be a 26, that's based on a base offense level of 6,
25 under Section 2B1.1, as well as with enhancements for a loss

Proceedings

18

1 over \$1.5 million, for an additional 16 levels, an additional
2 2 for being a health care offense where the loss exceeds
3 \$1 million, and also an additional two levels for an abuse of
4 trust enhancement. At 26, assuming this defendant has a
5 Criminal History Category of I, that results in an advisory
6 guidelines range of 63 to 78 months before acceptance of
7 responsibility.

8 THE COURT: Okay.

9 Mr. Spodek, anything to add to that?

10 MR. SPODEK: No, Judge. I believe that's accurate.

11 THE COURT: Okay.

12 Mr. Lai, do you understand what the lawyers have
13 said?

14 MR. SPODEK: Judge, can I have one moment?

15 THE COURT: Yes.

16 (Pause.)

17 THE DEFENDANT: Yes, I do.

18 THE COURT: I'm sorry?

19 THE DEFENDANT: I understand.

20 THE COURT: You understand?

21 THE DEFENDANT: Yes, Your Honor.

22 THE COURT: Okay. But you understand they are just
23 estimating, they are just guessing, they could be wrong. It
24 could turn out that the advisory guideline range that applies
25 to you is even higher than what they estimate it will be; and

1 it could also turn out that because of those other statutory
2 sentencing factors, I might choose to impose a sentence that
3 is even higher than the one called for by the advisory
4 sentencing guidelines. And if any of those things were to
5 happen, you would not be permitted to withdraw your guilty
6 plea simply because no one could tell you in advance what your
7 sentence would be.

8 Do you understand that?

9 THE DEFENDANT: Yes, Your Honor.

10 THE COURT: Okay. And do you understand that in
11 paragraph 3 of the agreement you have agreed, among other
12 things, not to file an appeal or otherwise challenge your
13 conviction or sentence by habeas corpus petition or any other
14 provision of law if I impose a prison term of 63 months or
15 less?

16 THE DEFENDANT: Yes, Your Honor.

17 THE COURT: Do you have any questions that you want
18 to ask me about the charge against you or your rights or
19 anything relating to this proceeding?

20 THE DEFENDANT: No, Your Honor.

21 THE COURT: Okay.

22 Are you ready to enter a plea?

23 THE DEFENDANT: Yes.

24 THE COURT: Mr. Spodek, do you know of any reason
25 why your client should not plead guilty to the charge in the

Proceedings

20

1 Information?

2 MR. SPODEK: No, Your Honor.

3 THE COURT: Okay.

4 Mr. Lai, how do you plead to the charge, do you
5 plead not guilty or do you plead guilty?

6 THE DEFENDANT: I plead guilty.

7 THE COURT: Okay.

8 THE DEFENDANT: Your Honor.

9 THE COURT: Are you making the guilty plea
10 voluntarily and of your own free will?

11 THE DEFENDANT: Yes, Your Honor.

12 THE COURT: Has anyone threatened, forced or coerced
13 you in any way to plead guilty?

14 THE DEFENDANT: No, Your Honor.

15 THE COURT: Other than the agreement with the
16 Government that is set forth, the various agreements that are
17 set forth in Government's Exhibit Number 1, has anyone made
18 any promise to you that has caused you to plead guilty?

19 THE DEFENDANT: No, Your Honor.

20 THE COURT: Has anyone made any promise to you as to
21 what your sentence will be?

22 THE DEFENDANT: No, Your Honor.

23 THE COURT: Okay.

24 Did you, between approximately September of 2020 and
25 December of 2022, in this district and elsewhere, knowingly

Proceedings

21

1 and intentionally agree with others to execute a scheme to
2 defraud Medicare and Medicaid and to obtain by false
3 representations money and property owned by and under the
4 control of those programs in connection with the delivery of a
5 payment for health care benefits, items and services?

6 THE DEFENDANT: Yes, I did.

7 THE COURT: Okay. You tell me in your own words
8 what you did that makes you think you are guilty of this.

9 THE DEFENDANT: Your Honor, I was the supervising
10 pharmacist at 888 Pharmacy located in Brooklyn, New York. And
11 I was with other people, we all agree upon --

12 THE COURT: I'm sorry, could you speak up a little
13 bit?

14 Maybe we'll use the microphone, Dennis. Thank you.

15 THE COURTROOM DEPUTY: Okay.

16 THE DEFENDANT: Your Honor, I was the supervising
17 pharmacist for 888 Pharmacy from September 2020 to
18 February 2023 when it closed down. And I and other people
19 agreed upon -- we agreed to carry out a scheme where we fill
20 medically unnecessary prescription from the podiatrist, the
21 clinic, to gain profit.

22 THE COURT: To, I'm sorry?

23 THE DEFENDANT: To gain profit.

24 THE COURT: Right.

25 How did you do that?

Proceedings

22

1 THE DEFENDANT: We referred the patients to the
2 podiatrist where they get prescription from the podiatrist and
3 send to our pharmacy, and we fill it and dispense it to the
4 patients.

5 THE COURT: And did you give the podiatrist
6 something in return?

7 THE DEFENDANT: Yes. We paid their rent and we pay
8 for some of the staff salary. And the pharmacy owner, they
9 offer me 25 percent of the pharmacy share for two-hundred-
10 fifty-thousand-dollar, which I pay one-hundred-thousand-dollar
11 in cash or check. And then the other hundred-fifty-thousand-
12 dollar, it was -- it was deducted from the profit in the
13 beginning until that hundred-fifty-thousand-dollar was
14 completely deducted from my portion. And then I start getting
15 profit from the pharmacy operation.

16 THE COURT: And then you, I'm sorry?

17 THE DEFENDANT: And then I start getting profit from
18 the pharmacy operation.

19 THE COURT: You started getting what?

20 THE DEFENDANT: A profit.

21 THE COURT: Right. I see.

22 THE DEFENDANT: From the pharmacy.

23 THE COURT: I see.

24 Anything further I should ask, Mr. Estes?

25 MR. ESTES: Just to clarify, Your Honor.

Proceedings

23

1 I think I may have heard you say knowingly and
2 intentionally, but I just want to clarify I think it should be
3 knowingly and willfully.

4 THE COURT: Knowingly and willfully.

5 MR. ESTES: I just want to confirm that the
6 defendant did so knowingly and willfully.

7 THE DEFENDANT: Yes, I knew that was wrong and
8 illegal, and I was willingly to be part of the scheme.

9 MR. ESTES: And the Government would also just note
10 and request the defendant to acknowledge or stipulate that the
11 Medicare and Medicaid programs are health care benefit
12 programs under Section 24(b)?

13 THE DEFENDANT: Yes.

14 MR. ESTES: That's it for the Government.

15 THE COURT: That's it; okay.

16 Based on the information that you have given to me,
17 I find that you are acting voluntarily, that you fully
18 understand your rights and the consequences of your plea, and
19 that there is a factual basis for your plea. And I,
20 therefore, accept your guilty plea to the charge in the
21 Information.

22 THE DEFENDANT: Thank you, Your Honor.

23 THE COURTROOM DEPUTY: Let's see.

24 THE COURT: This is the defendant's first
25 appearance, right?

Proceedings

24

1 MR. ESTES: Yes, Your Honor.

2 THE COURT: All right.

3 THE COURTROOM DEPUTY: Sentencing tentatively is
4 September 27th at 11:00 a.m.

5 THE COURT: Mr. Lai, I can see that you have already
6 signed the conditions of your appearance bond, so you
7 understand that it is a bond in the amount of \$100,000.

8 It is unsecured, so you don't have to put up any
9 money, but if you fail to appear in court when you are
10 supposed to appear in court, the Government will make sure
11 that it gets that much money out of you. Okay?

12 THE DEFENDANT: Yes, I do, Your Honor.

13 THE COURT: Also, you must submit to Pretrial
14 supervision and report to Pretrial Services as directed.

15 And you are subject to random home contacts and
16 verification of employment as deemed appropriate to monitor
17 compliance with the conditions of release.

18 And you shall notify Pretrial Services as soon as
19 possible of any arrest.

20 You are to surrender your passport to Pretrial
21 Services, which I gather you have already done. Is that
22 correct?

23 MR. SPODEK: No, Judge, but I do have it here.

24 THE COURT: Okay. And not obtain a passport or any
25 other international travel document.

Proceedings

25

1 You are confined to New York State and New Jersey,
2 right?

3 THE DEFENDANT: Yes.

4 THE COURT: And you are not to submit claims
5 directly or indirectly to Medicare or Medicaid.

6 Do you understand all the conditions?

7 THE DEFENDANT: Yes, Your Honor.

8 THE COURT: Okay. And is that your signature on the
9 bond?

10 We are going to have to send it down to you to make
11 sure.

12 THE DEFENDANT: Yes, that's my signature.

13 THE COURT: Okay. All right, I am signing it.

14 And let me just ask you, the second page of the bond
15 sets forth, among other things, the advice and penalties and
16 sanctions.

17 Did you review all of that?

18 THE DEFENDANT: Yes, I did, Your Honor.

19 THE COURT: And did you understand it?

20 THE DEFENDANT: Yes.

21 THE COURT: Okay.

22 MR. SPODEK: Your Honor, if I may.

23 THE COURT: Yes.

24 MR. SPODEK: I did speak to the Government briefly.
25 Mr. Lai had two trips domestically, one in Connecticut and one

Proceedings

26

1 in Pennsylvania with his family. I understand the Government
2 has no objection.

3 I am happy to file a letter, but I did want to bring
4 it to Your Honor's attention for him to take those trips.

5 THE COURT: That's fine, if you'd just file a
6 lawyer.

7 MR. SPODEK: Yes, Your Honor.

8 THE DEFENDANT: Thank you, Your Honor.

9 THE COURTROOM DEPUTY: Thank you.

10 MR. SPODEK: Thank you.

11 (Matter adjourned.)
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21 I certify that the foregoing is a correct transcript from the
22 record of proceedings in the above-entitled matter.

23 /s/ Stacy A. Mace

June 27, 2023

24 _____
STACY A. MACE

DATE

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